

109TH CONGRESS
1ST SESSION

H. R. 2007

To amend the Internal Revenue Code of 1986 to allow the \$25,000 offset for individuals under the passive loss rules to apply to investments in wind energy facilities.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. PETERSON of Minnesota (for himself and Mr. GUTKNECHT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the \$25,000 offset for individuals under the passive loss rules to apply to investments in wind energy facilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. APPLICATION OF \$25,000 OFFSET IN PASSIVE**
4 **LOSS RULES TO INVESTMENTS IN WIND EN-**
5 **ERGY FACILITIES.**

6 (a) PHASEOUT NOT TO APPLY.—

7 (1) IN GENERAL.—Paragraph (3) of section
8 469(i) of the Internal Revenue Code of 1986 (relat-
9 ing to \$25,000 offset for rental real estate activities)

1 is amended by redesignating subparagraphs (E) and
2 (F) as subparagraphs (F) and (G), respectively, and
3 by inserting after subparagraph (D) the following
4 new subparagraph:

5 “(E) EXCEPTION FOR WIND ENERGY
6 CREDIT.—Subparagraph (A) shall not apply to
7 any portion of the passive activity credit for any
8 taxable year which is attributable to any credit
9 determined under section 45 with respect to a
10 facility using wind to produce electricity.”.

11 (2) CONFORMING AMENDMENT.—Subparagraph
12 (F) of section 469(i)(3) of such Code, as redesign-
13 nated by paragraph (1), is amended—

14 (A) by striking “or (D)” and inserting
15 “(D), or (E)” in the material preceding clause
16 (i),

17 (B) by striking “or (D)” in clause (iii) and
18 inserting “, (D), or (E)”,

19 (C) by striking “and” at the end of clause
20 (iv), and

21 (D) by striking clause (v) and inserting the
22 following new clauses:

23 “(v) fifth to the portion of such credit
24 to which subparagraph (D) applies, and

1 “(vi) then to the portion of such cred-
2 it to which subparagraph (E) applies.”.

3 (b) ACTIVE PARTICIPATION REQUIREMENT NOT TO
4 APPLY.—Subparagraph (B) of section 469(i)(6) of such
5 Code is amended by striking “or” at the end of clause
6 (ii), by striking the period at the end of clause (iii) and
7 inserting “, or”, and by adding at the end the following
8 new clause:

9 “(iv) any credit to which paragraph
10 (3)(E) applies.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years ending after the
13 date of the enactment of this Act.

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